

CONTRACTORS ALL RISKS SECTION

Only applicable if this Section is shown as operative in the Schedule

1. Definition

Wherever the following words and phrases appear in this Section they will always have these meanings

Territorial Limits

Shall mean anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man

2. Indemnity

The Company agrees (subject to the terms exceptions and conditions contained herein or endorsed hereon) to indemnify the Insured by payment or at its option by reinstatement or repair in respect of loss or damage to the property described in the Schedule to this Section

The Company will also reimburse costs and expenses necessarily incurred by the Insured with the consent of the Company for

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up propping and fencing off
- d) clearing and/or repairing drains and service mains on site
- e) architects surveyors and consultants fees in connection with the reinstatement of the Permanent and Temporary Works consequent upon its destruction or damage but not for preparing any claim

Provided that the liability of the Company shall not exceed the sum insured or limit of liability shown in the Schedule plus any additional amount shown in the escalator clause of the extensions

3. The Property Insured

Where the following words appear in this Section they will always have the following meaning

The Permanent or Temporary Works

The Permanent or Temporary Works executed in performance of the Contract and Materials for use in connection therewith

Constructional Plant and Equipment

Constructional plant tools scaffolding and equipment the property of the Insured for use in connection with the Contract

Temporary Buildings

Site huts and temporary buildings office furniture fixtures and fittings the property of the Insured for use in connection with the Contract

Hired in Plant

Property hired in by the Insured for use in connection with the Contract

Employees Tools

Employees Tools and other personal effects for which the Insured is responsible and for an amount not exceeding £500 any one employee after the application of the Amount Excluded

All intended for use in connection with the Contract whilst on or adjacent to the site of the Contract

4. Exclusions

This Section does not cover

1. Amount Excluded

- a) The first £50 in respect of loss of or damage to each employees tools and personal effects
- b) The first £500 in respect of loss of or damage to all other Property Insured except for loss or damage by theft or malicious act when the amount excluded is increased to £750

2. Vehicles

Loss of or damage to any mechanically propelled vehicle intended for conveyance of persons materials or plant and for which Insurance or Security under the Road Traffic Acts is necessary but this exclusion shall not apply to any vehicle primarily intended for use at Contract sites nor any vehicle used solely at Contract sites and which is not licensed for road use

3. Craft or Vessels

Loss of or damage to any waterborne vessel or craft exceeding 8 metres in length or to any aircraft

4. Deeds Etc

Loss of or damage to deeds bonds bills of exchange promissory notes money stamps securities or documents of title precious metals precious stones or articles made therefrom

5. Vehicles Machinery or Plant Breakdown

Loss of or damage to any vehicle or item of plant or machinery caused by its own breakdown or its own explosion

6. Existing Property

Loss of or damage to any existing property including any existing property being altered or repaired

7. Water

Any work in under or over water or adjoining or adjacent to rivers lakes reservoirs dams or tidal waters or within cofferdams or caissons

8. Tunnels Etc

Any work on bridges viaducts subways tunnels motorways dams and nuclear installations

9. Depth

Any work where the depth of excavation exceeds 5 metres

10. Defective Design Material or Workmanship

The cost necessary to replace repair or rectify any of the Property Insured which is in a defective condition due to a defect in design plan specification materials or workmanship notwithstanding anything contained herein to the contrary this exclusion shall not apply to the remainder of the Property Insured which is free of such defective condition but is damaged as a consequence of such defect

11. Normal Upkeep

The cost necessary for normal upkeep or normal making good

12. Wear and Tear

Loss or damage due to wear and tear or gradual deterioration rust wet or dry rot contamination vermin and insects

13. Certificate of Completion

Loss of or damage to any part of the permanent works

- a) after such part has been completed and delivered up to the owner tenant or occupier or
- b) after such part has been taken into use by the owner tenant or occupier or
- c) for which a Certificate of Completion has been issued other than where such loss or damage
 - i) be occasioned during the Defects Liability Period specified in the Contract and arising from a cause occurring prior to commencement of such period

- ii) is in respect of materials or other Insured Property on site for the purpose of carrying out remedial works during the Defects Liability Period specified in the Contract and for which the Insured are responsible under the terms of the Contract during the said Defects Liability Period
- iii) within 14 days of the time of issue of such Certificate of Completion and which the contractor is required by the terms of the Contract to insure

14. Conditions of Contract

Loss or damage for which the Insured is relieved of responsibility by the Conditions of Contract

15. Penalties Under Contract

Penalties under Contract for delay detention or loss of use or losses arising in connection with Guarantees of Performance or efficiency or consequential loss or damage of any kind

16. Disappearance or Shortage

Loss of any property by disappearance or by shortage where such loss is substantiated only by the making of an inventory or a periodic stocktaking or is not traceable to an identifiable event

17. Pressure Waves

Loss destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

18. War Etc Risks

Loss or damage occasioned by or happening through war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power or confiscation nationalisation requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority

19. Nuclear Risks

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

20. Terrorism

Loss damage cost or expense of whatsoever nature directly or indirectly resulting from or in connection with

- 1. any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- 2. any action taken in controlling preventing suppressing or in any way relating to any act of terrorism

If the Company alleges that by reason of this exclusion any loss damage cost or expense is not covered by this Section of the policy the burden of proving the contrary shall be upon the Insured

In the event any portion of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

Definition – Terrorism

For the purpose of this exclusion an act of Terrorism shall mean an act including but not limited to the use of force or violence and or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and or put the public or any section of the public in fear

21. Electronic Risks

Loss of or damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Insured or not where such loss destruction or damage is caused by programming or operator error Virus or Similar Mechanism Hacking including where this results from the actions or malicious persons or thieves

For the purpose of this Section Exclusion the following Definitions apply

- i) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

This definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

- ii) Hacking shall mean unauthorised access to any computer or component or system or item which processes stores transmits or retrieves data

22. Date Recognition

Loss or damage directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000

- i) correctly to recognise any date as its true calendar date
- ii) to capture save or retain and correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- iii) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent loss or damage not otherwise excluded which itself results from fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by this Section

23. Northern Ireland

Loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence of

- a) civil commotion
- b) Terrorism as defined in the Terrorism Exclusion

In any action suit or other proceedings where the Company alleges that by reason of the provisions of this exclusion any loss destruction or damage is not covered by this Section the burden of proving that such loss destruction or damage is covered shall be upon the Insured

5. Extension Clauses

Sub-Contractors

In respect of any Contract awarded under the JCT Standard Form of Building Contract incorporating the 1986 Amendment to Insurance and related Liability Provisions (or equivalent thereof) and insured under this Section the following alterations to this Section shall apply but only in respect of the Permanent and Temporary Works

In respect of loss or damage to the Permanent and Temporary Works by any of the Specified Perils defined in the Contract it is agreed that so far as is required by the sub-contract the Company will not pursue any rights of subrogation against sub-contractors directly engaged by the main contractor provided that the sub-contractor shall as if he were the Insured observe fulfil and be subject to the Terms Exceptions and General Conditions of this Policy

Indemnity to Principals

The insurance by this Section extends to include the interest of the Insureds Employer/Principal solely to the extent required by the Conditions of Contract in force between the Insured and his Employer/Principal provided always that such Employer/Principal shall as if he were the Insured observe fulfil and be subject to the Terms Exceptions and General Conditions of this Policy

Reinstatement of Sum Insured

In the event of loss the sum insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by AXA Insurance or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

Immobilised Plant

This Section extends to include the payment of necessary costs incurred in the recovery of property described in the Schedule to this

Section which may become immobilised or immovable whilst being used in connection with the Contract

Provided always that the cause of such immobilisation or immovability is the subject of a claim covered by this Section

Local Authorities Clause

The insurance in respect of the Permanent Works includes such additional cost of reinstatement following loss or damage to the Property Insured thereby as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Municipal or Local Authority

but excluding

- a) such costs incurred
 - i) which can be recovered elsewhere
 - ii) where notice has been served upon the Insured under any of the aforesaid Regulations or Bye-Laws prior to the happening of the loss or damage
- b) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the said Regulations or Bye-Laws

Provided that the work of reinstatement shall be commenced and carried out without unreasonable delay

Escalator Clause

In the event of an increase in the value of any Contract the Sum Insured in respect of the Permanent and Temporary Works is automatically increased for such Contract provided that the amount of the said increase shall not exceed 20% of the said Sum Insured

Free Materials

The Property Insured in respect of the Permanent and Temporary Works shall include any materials supplied by or provided to the Insured for inclusion in The Contract or Works for which the Insured is responsible the value of which will not be included in the final valuation of the Works carried out or final Contract price and which are not otherwise excluded from this Section

Transit

The insurance extends to include loss of or damage to the Property Insured whilst in transit within the Territorial Limits other than

- a) by sea or air
- b) any mechanically propelled vehicle under its own power
- c) employees tools and personal effects

Off-Site Storage

- a) The insurance in respect of the Permanent Works extends to apply to materials and goods whilst not on the site of any contract but intended for inclusion in any Contract Works covered by this Section where the Contractor is responsible under any standard printed contract conditions provided that the value of such materials and goods has been included in an interim certificate and the materials and goods are separately stored and identified as being designated for incorporation in a specific contract

The maximum liability of the Company under this extension shall not exceed:-

- i) £1,000 in respect of non ferrous metals
- ii) £100,000 in respect of any other materials
- b) Where the insurance by this Section includes Constructional Plant and Equipment Temporary Buildings and Hired in Plant such property is insured whilst at the Insureds own premises or in a securely locked compound or store

Expediting Costs

This Section extends to include payment of extra charges for overtime nightwork work on public holidays express freight air freight and the like necessarily incurred by the Insured following reinstatement or replacement of any damaged property forming the basis of a claim under this Section

Re-drawing Plans/Documents

The Company will reimburse costs and expenses necessarily incurred in re-writing or re-drawing plans drawings or other contract documents following loss or damage thereto up to a maximum amount for any one claim of £25,000

Showhouses and Contents

The insurance by this Section extends to include showhouse properties and showhouse contents until sold provided that the liability of the Company under this extension in respect of showhouse contents shall not exceed £5,000

Speculative Building

It is agreed that

- a) the property insured in respect of Permanent Works includes such property being built or erected by the Insured other than under Contract
- b) in respect of property being built or erected other than under Contract the insurance by this Section shall cease to apply from
 - i) the date such property is sold or let or
 - ii) three months after the date of substantial completion of the work or building or erecting such property whichever is the earlier

Where the property comprises several units within one block then b) i) shall apply to each individual unit but cover in respect of the whole block shall not exceed 3 months from the date of substantial completion if parts of it are still unsold or unlet

- c) if from any cause work on The Contract site shall cease for a period in excess of 3 consecutive months then this Section shall be avoided unless its continuance be agreed in writing by the Company

Substantial Completion for the purposes of this Extension shall mean completion apart from a prospective purchasers or tenants choice of decoration and/or final fitments

Hired in Plant

Where Hired-in-Plant is insured this Section will provide indemnity against the legal liability of the Contractor under the terms of hiring agreements It is further agreed that notwithstanding anything contained to the contrary in Exclusions 5 or 15 of this Section the Company will indemnify the Insured against legal liability in the terms of the Hiring Agreement or otherwise

- a) to make good to the owner loss of or damage to any plant hired in insured hereby caused by its own breakdown or its own explosion
- b) to pay to the owners of any such plant hired in hire charges incurred as a consequence of and solely due to
 - i) physical loss of or damage to the said plant or
 - ii) breakdown of the said plant due to the negligence misdirection or misuse by the Insured or his servants

Provided that:–

- a) such hire charges shall be calculated at the appropriate idle time rate for the period during which the plant is necessarily idle due to such loss damage or breakdown not exceeding 90 days from the time thereof and excluding the first 48 hours
- b) this extension does not apply to the result of any wilful act or wilful neglect of the Insured

- c) the liability of the Company shall be limited to £250 per item per day unless otherwise stated

6. Special Conditions

1. Reasonable Precautions

The Insured shall take all reasonable precautions to safeguard the Property Insured and prevent loss or damage including any additional precautions necessary as the result of partial or total cessation of work by the Insured at any Contract site

2. Notification to Police of Theft or Wilful Damage

In the case of theft or wilful damage the Insured shall immediately notify the Police and shall take all reasonable steps for the discovery and punishment of any guilty person and to trace and recover the property lost

3. Other Insurances

This Section does not cover any loss or damage which is insured by or would but for the existence of this Section be insured by any other policy or policies except in respect of any excess beyond the amount paid under such other policy or policies or which would have been payable thereunder had this insurance not been effected

4. Premium Adjustment

If any part of the Premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Company to inspect such record The Insured shall within one month from the expiry of each Period of Insurance furnish to the Company such particulars and information as the Company may require The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to retention by the Company of 75% of the premium paid

Special Clauses

(Clause 1 applicable only if clause number is entered in the Schedule Clause 2 applicable only if referred to in the Schedule)

1. Temporary Cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with particulars lodged with the Company) pending issue of this Policy

2. Long Term Agreement Clause

The discount shown in the Schedule is allowed off the net premiums on this Section in consideration of the Insured having given an undertaking expiring on the date specified in the Schedule to offer the insurance on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that

- a) the Company shall be under no obligation to accept an offer made in accordance with the above mentioned undertaking
- b) the sum insured may be reduced at any time to correspond with any reduction in value

The above mentioned undertaking applies to any section or sections which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premiums on any substituted section or sections issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this clause